

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA

DOCKET NO. 2021-89-E  
DOCKET NO. 2021-90-E

In the Matter of:

Duke Energy Carolinas, LLC's and Duke  
Energy Progress LLC's 2021 Avoided Cost  
Proceeding Pursuant to S.C. Code Ann.  
Section 58-41-20(A)

)  
)  
) **STIPULATION TESTIMONY OF**  
) **DAVID B. JOHNSON**  
) **ON BEHALF OF DUKE ENERGY**  
) **CAROLINAS, LLC AND DUKE**  
) **ENERGY PROGRESS, LLC**  
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1   **Q.   PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND CURRENT**  
2       **POSITION.**

3   A.   My name is David B. Johnson. My business address is 400 South Tryon Street,  
4       Charlotte, North Carolina 28202. I am employed by Duke Energy Corporation as  
5       Director of Business Development and Compliance.

6   **Q.   DID YOU PREVIOUSLY FILE DIRECT TESTIMONY IN SUPPORT OF**  
7       **THE JOINT APPLICATION IN THIS PROCEEDING?**

8   A.   Yes, I did.

9   **Q.   DID YOU ALSO PREVIOUSLY FILE LIMITED REBUTTAL**  
10       **TESTIMONY IN THIS PROCEEDING?**

11   A.   Yes. My limited rebuttal testimony responded to testimony filed on behalf of  
12       Pelzer Hydro Company, LLC and Aquenergy Systems, LLC and Northbrook  
13       Carolina Hydro, LLC ( “Hydro QF Advocates”).

14   **Q.   WHAT IS THE PURPOSE OF YOUR STIPULATION TESTIMONY IN**  
15       **THIS PROCEEDING?**

16   A.   The purpose of my testimony is to support certain provisions of the Stipulation of  
17       Agreement between Duke Energy Carolinas, LLC (“DEC”) and Duke Energy  
18       Progress, LLC (“DEP”) (together, the “Companies”); the South Carolina Office of  
19       Regulatory Staff (“ORS”); Carolinas Clean Energy Business Association  
20       (“CCEBA”); and South Carolina Coastal Conservation League and Southern  
21       Alliance for Clean Energy (together, the “Environmental Parties”) (collectively,  
22       the “Stipulating Parties”) (“Stipulation” or “Stipulation Agreement”). In  
23       particular, I sponsor DEC’s updated Standard Offer purchased power tariff,

Schedule PP, and updated Large QF Tariff, which have been updated to reflect the adjustment to DEC's avoided capacity rates as agreed to in the Stipulation and as supported by DEC/DEP Witness Snider's Stipulation Testimony. I also support amendments to DEC/DEP's Large QF PPA as further described herein.

**Q. ARE YOU INCLUDING ANY EXHIBITS IN SUPPORT OF YOUR STIPULATION TESTIMONY?**

A. Yes. I am sponsoring four exhibits for DEC and two DEC/DEP joint exhibits, which are described below:

- **Johnson Stipulation Exhibit 1** presents a redline copy of DEC's updated Standard Offer purchased power tariff, Schedule PP ("Standard Offer Tariff" or "Schedule PP"). This Exhibit is intended to supersede and replace Johnson DEC Exhibit 1 that I sponsored in my Direct Testimony.
- **Johnson Stipulation Exhibit 2** presents a clean copy of DEC's updated Schedule PP. This Exhibit is intended to supersede and replace Johnson DEC Exhibit 2 that I sponsored in my Direct Testimony.
- **Johnson Stipulation Exhibit 3** presents a redline copy of DEC's updated purchased power tariff for QFs not eligible for the Standard Offer ("Large QF Tariff"). This Exhibit is intended to supersede and replace Johnson DEC Exhibit 5 that I sponsored in my Direct Testimony.
- **Johnson Stipulation Exhibit 4** presents a clean copy of DEC's updated Large QF Tariff. This Exhibit is intended to supersede and replace Johnson DEC Exhibit 6 that I sponsored in my Direct Testimony.

- 1           •   **Johnson Stipulation Exhibit 5** presents a redline copy of DEC's and  
2           DEP's updated standard form of PPA available to QFs that are not eligible  
3           for the Standard Offer (the "Large QF PPA"). This Exhibit is intended to  
4           supersede and replace Johnson DEC/DEP Exhibit 9 that I sponsored in my  
5           Direct Testimony and amended on June 16, 2021.
- 6           •   **Johnson Stipulation Exhibit 6** presents a clean copy of DEC's and  
7           DEP's updated Large QF PPA. This Exhibit is intended to supersede and  
8           replace Johnson DEC/DEP Exhibit 10 that I sponsored in my Direct  
9           Testimony.

10   **Q.   PLEASE ADDRESS THE RATES AND TARIFFS THAT THE**  
11       **STIPULATING PARTIES RECOMMEND THE COMMISSION**  
12       **APPROVE.**

13   A.   As discussed by DEC/DEP Witness Glen Snider, the Stipulating Parties agree to  
14       and recommend the Commission approve DEP's proposed avoided cost rates as  
15       filed. Accordingly, the Stipulating Parties recommend the Commission approve  
16       the Standard Offer Tariff and Large QF Tariff for DEP included as Johnson DEP  
17       Exhibit 2 and Johnson DEP Exhibit 6, respectively, as sponsored in my Direct  
18       Testimony. The Stipulating Parties also agree to and recommend the Commission  
19       approve the Companies' Standard Offer PPA, Standard Offer Terms and  
20       Conditions, and the Notice of Commitment Form, presented as Johnson DEC  
21       Exhibits 3 and 4, DEP Exhibits 3 and 4, and DEC/DEP Exhibit 8, respectively, to  
22       my Direct Testimony.

1   **Q.   PLEASE ADDRESS THE UPDATED DEC STANDARD OFFER TARIFF**  
2       **AND LARGE QF TARIFF FILED WITH YOUR STIPULATION**  
3       **TESTIMONY IN SUPPORT OF THE STIPULATION.**

4   A.   As Witness Snider explains, the Stipulating Parties agree to and recommend the  
5       Commission approve one adjustment to DEC's avoided capacity rates to adopt the  
6       position presented by ORS Witness Horii on the seasonal allocation of capacity  
7       value. This adjustment has been incorporated into the avoided capacity rates  
8       presented in the updated Standard Offer Tariff and Large QF Tariff presented in  
9       clean and redline as my Johnson Stipulation Exhibits 1-4.

10   **Q.   DO THE STIPULATING PARTIES AGREE THAT IT IS APPROPRIATE**  
11       **FOR THE COMPANIES TO CONTINUE TO UPDATE THE LARGE QF**  
12       **TARIFFS ON A QUARTERLY BASIS?**

13   A.   Yes. Pursuant to the Stipulation, the Companies agree to continue to update the  
14       Large QF Tariffs in a manner consistent with Order Nos. 2019-881(A) and 2020-  
15       315(A). Consistent with Order No. 2020-315(A), DEC/DEP will provide detailed  
16       information regarding updated inputs on request to QFs that are negotiating a PPA  
17       with DEC or DEP, and will also provide such information upon request to  
18       CCEBA. The Stipulation Agreement also makes clear that any Party can bring to  
19       the Commission any dispute regarding the application of the Companies'  
20       Integrated Resource Plans to the Large QF Tariffs.

1   **Q.   PLEASE ADDRESS THE UPDATED LARGE QF PPA FILED WITH**  
 2       **YOUR STIPULATION TESTIMONY IN SUPPORT OF THE**  
 3       **STIPULATION.**

4   A.   Through discussions with the Stipulating Parties, the Companies have agreed to  
 5       make two limited modifications to the Large QF PPA:

6               1) To amend Section 1.13 establishing the definition of “Change of  
 7               Control” and to add a new Section 1.17 defining “Permitted Transfer” to  
 8               clarify certain actions that a QF Seller may take under the Large QF PPA  
 9               without triggering a Change of Control;

10              2) To make wording corrections to the terms “upgrade” and “Requested  
 11              Interconnection Facilities In-Service Date” in Section 1.51 of the Large  
 12              QF PPA.

13       These limited changes are presented in track changes in my Johnson Stipulation  
 14       Exhibit 5. I recommend Commission approval of the changes to the Large QF  
 15       PPA as commercially reasonable and consistent with PURPA and Act 62.

16   **Q.   DO THE COMPANIES COMMIT IN THE STIPULATION TO REVIEW**  
 17       **THE NOTICE OF COMMITMENT FORM WITH CCEBA IN THE**  
 18       **FUTURE.**

19   A.   Yes. Consistent with the Companies’ commitments in their Joint Application in  
 20       this proceeding, the Companies and CCEBA commit to negotiate in good faith on  
 21       revisions to the DEC/DEP Notice of Commitment Form, and in particular the  
 22       standard for establishing a Legally Enforceable Obligation as reflected on that  
 23       Form, in light of changes to the South Carolina Generator Interconnection

1 Procedures and Appendix Duke CS approved by the Commission in Order No.  
2 2021-439 issued in Docket No. 2019-326-E on June 18, 2021. If the Federal  
3 Energy Regulatory Commission (“FERC”) approves the requested  
4 complementary revisions to the Companies’ Joint Open Access Transmission  
5 Tariff, CCEBA and the Companies agree to submit proposed revisions to the  
6 Notice of Commitment Form, jointly or separately, to the Commission for  
7 approval no later than two weeks after such FERC approval; provided, however,  
8 that this time frame may be extended by the mutual consent of CCEBA and the  
9 Companies.

10 **Q. IN YOUR VIEW, DOES THE STIPULATION REACHED BY THE**  
11 **STIPULATING PARTIES RESULT IN RATES AND TARIFFS FOR**  
12 **BOTH DEC AND DEP THAT ARE REASONABLE AND CONSISTENT**  
13 **WITH THE REQUIREMENTS OF PURPA AND ACT 62?**

14 A. Yes. I believe the Stipulation represents a just and reasonable resolution of the  
15 issues in this proceeding and results in Standard Offer and Large QF rates and  
16 tariffs that are reasonable and consistent with the requirements of PURPA and Act  
17 62. The Companies request the Commission approve the proposed avoided cost  
18 tariffs, Terms and Conditions, and Notice of Commitment Forms for DEC and  
19 DEP, as described in my Stipulation Testimony and as supported by the  
20 Stipulating Parties.

21 **Q. DOES THIS CONCLUDE YOUR PRE-FILED STIPULATION**  
22 **TESTIMONY?**

23 A. Yes.